

## Message Text

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PAGE 01 STATE 174510  
ORIGIN EB-08

INFO OCT-01 NEA-10 IO-13 ISO-00 SSO-00 NSCE-00 INRE-00  
AGRE-00 CIAE-00 COME-00 INR-10 LAB-04 NSAE-00  
SP-02 STR-07 TRSE-00 FRB-03 OMB-01 SS-15 L-03  
ITC-01 CTME-00 /078 R

DRAFTED BY EB/TEX:ABERRY:HM

APPROVED BY EB/TEX:JST.JOHN

NEA/INS - PLANDE (SUBS)

COMMERCE - AGAREL (INFO)

LABOR - FJAMES (INFO)

STR - MBSMITH (INFO)

-----091983 112019Z /61

O P 111936Z JUL 78

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

INFO USMISSION GENEVA PRIORITY

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NEW DELHI FOR UNDERSECRETARY NEWSOM, GENEVA FOR BARRACLOUGH

E.O. 11652: N/A

TAGS: EPAP, IN

SUBJECT: TEXTILES

REF: STATE 173842

THE FOLLOWING IS TEXT OF LETTER FROM INDIAN AMBASSADOR  
WHICH WAS SENT TO BOTH STRAUSS AND KREPS.

1. JULY 7, 1978

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I HAVE THE HONOUR TO CONVEY THE FOLLOWING MESSAGE  
FROM MR. MOHAN DHARIA, MINISTER OF COMMERCE, CIVIL  
SUPPLIES AND COOPERATION, GOVERNMENT OF INDIA, TO YOU:

THE RECENT US PROPOSAL TO CLUB INDIAN EXPORTS OF HANDLOOM  
AND MILLMADE APPAREL INTO A SINGLE QUOTA WILL NOT ONLY  
ALTER THE LONG-TERM CHARACTER OF THE FIVE-YEAR AGREEMENT

NEGOTIATED EARLIER THIS YEAR BUT WOULD ALSO DO AWAY WITH THE SPECIAL STATUS GIVEN TO HANDLOOM GOODS ON ACCOUNT OF THEIR EMPLOYMENT POTENTIAL AND SOCIO-ECONOMIC SIGNIFICANCE IN INDIAN ECONOMY.

I WOULD, THEREFORE, URGE ACCEPTANCE OF AN AD HOC INCREASE IN THE APPAREL QUOTA GROUP II FOR THE CURRENT YEAR TO MEET THE ESSENTIALLY TECHNICAL PROBLEM ARISING FROM A GENUINE MIS-CLASSIFICATION OF HANDLOOM AS MILL-MADE APPAREL.

WE HAVE ALREADY INITIATED MEASURES TO ENFORCE DISCIPLINE IN THE FLOW OF TRADE DURING THE CURRENT YEAR AND HEREAFTER SO AS TO ENSURE THAT DELIVERIES ARE EVENLY SPACED.

I WOULD SUGGEST IMMEDIATE CONSULTATIONS BETWEEN OUR DELEGATIONS IN THIS REGARD, PENDING WHICH ALL CON-SEGMENTS REACHING US PORTS BEFORE 31ST AUGUST, 1978, MAY BE ALLOWED ENTRY AS AN INTERIM MEASURE.

I WOULD REQUEST URGENT AND FAVOURABLE CONSIDERATION.

WITH WARM REGARDS,

/S/ MOHAN DHARIA  
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WITH THE ASSURANCES OF MY HIGHEST CONSIDERATION,

/S/ NANI A. PALKHIVALA

2. THE FOLLOWING IS THE TEXT OF JULY 10 NOTE FROM INDIAN EMBASSY TO DEPARTMENT OF STATE:

NO. COM./105/2/78 JULY 10, 1978

THE EMBASSY OF INDIA IN THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE U.S. DEPARTMENT OF STATE AND HAS THE HONOUR TO REFER TO THE AGREEMENT RELATING TO TRADE IN COTTON, WOOL, AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS BETWEEN INDIA AND THE UNITED STATES OF AMERICA FOR THE PERIOD JANUARY 1, 1978 TO DECEMBER 31, 1982, EFFECTED BY AN EXCHANGE OF LETTERS BETWEEN THE TWO GOVERNMENTS ON DECEMBER 30, 1977.

THE EMBASSY HAS THE HONOUR TO REQUEST CONSULTATIONS BETWEEN THE TWO GOVERNMENTS ON THE INDO-U.S. TEXTILE AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF THE

AGREEMENT. THE EMBASSY WOULD SUGGEST THAT CONSULTATIONS BE HELD AS EARLY AS POSSIBLE IN AUGUST, 1978 IN WASHINGTON, D.C.

PENDING SUCH CONSULTATIONS, THE EMBASSY REQUESTS THAT EXPORTS OF ITEMS UNDER GROUP II OF THE AGREEMENT BE ALLOWED ENTRY INTO THE UNITED STATES OF AMERICA.

THE EMBASSY OF INDIA AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE U.S. DEPARTMENT OF STATE THE ASSURANCES OF ITS HIGHEST CONSIDERATION.

3. THE FOLLOWING IS TEXT OF DEPARTMENT'S JULY 10 LETTER

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RESPONSE TO INDIAN NOTE CONTAINED IN PARAGRAPH 2:

JULY 10, 1978

MR. J. S. BAIJAL  
MINISTER (ECONOMIC)  
EMBASSY OF INDIA  
2107 MASSACHUSETTS AVE. N.W.  
WASHINGTON, D.C. 20008

DEAR MR. BAIJAL:

I REFER TO THE EMBASSY OF INDIA'S NOTE NO. COM/105/2/78 DATED JULY 10. THE UNITED STATES GOVERNMENT AGREES TO THE EMBASSY'S REQUEST FOR CONSULTATIONS IN WASHINGTON, D.C. BETWEEN THE TWO GOVERNMENTS ON THE US/INDIA TEXTILE AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT. THE EARLIEST FEASIBLE DATE IS DURING THE WEEK OF SEPTEMBER 5-8. IN THE MEANWHILE, THE U.S. GOVERNMENT WILL ALLOW ENTRY INTO THE UNITED STATES, AND RELEASE FROM WAREHOUSE FOR CONSUMPTION, OF ITEMS UNDER GROUP II EXPORTED FROM INDIA ON OR BEFORE JULY 7, 1978, AND WILL, PENDING FINAL DETERMINATION DURING CONSULTATIONS, CHARGE ANY ENTRIES IN EXCESS OF THE GROUP II LEVEL TO THE APPLICABLE LEVEL FOR 1979.

THIS LETTER AND YOUR CONFIRMATION ON BEHALF OF YOUR GOVERNMENT WILL CONSTITUTE AN ADMINISTRATIVE ARRANGEMENT UNDER THE AGREEMENT.

-- SINCERELY,  
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-- /S/ JOHN J. ST. JOHN  
-- CHIEF  
-- TEXTILES DIVISION

4. FYI - IF AND WHEN GOI CONFIRMATION RECEIVED,  
RELEASE OF EMBARGOED GOODS SHOULD BEGIN WITHIN  
4-5 WORKING DAYS. CHRISTOPHER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE174510  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** ABERRY:HM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780284-0204  
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**Line Count:** 182  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 47874977-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 173842  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2048239  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXTILES  
**TAGS:** EPAP, IN  
**To:** NEW DELHI  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/47874977-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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